

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

E-01891A
Garkane Energy Cooperative, Inc.
PO Box 465
Loa, UT 84747

RECEIVED

MAR 13 2006

Arizona Corporation Commission
Director of Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005
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FOR COMMISSION USE

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PROCESSED BY:

3-14-06 RF

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Garkane Energy Cooperative, Inc.

Mailing Address 120 West 300 South P0 Box 465
(Street)

Loa UT 84747
(City) (State) (Zip)

(435) 836-2795 (435) 836-2497
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address calbrecht@garkaneenergy.com

Local Office Mailing Address 120 West 300 South P0 Box 465
(Street)

Loa UT 84747
(City) (State) (Zip)

(435) 836-2795 (435) 836-2497
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address calbrecht@garkaneenergy.com

MANAGEMENT INFORMATION

Management Contact: Carl R. Albrecht General Manager
(Name) (Title)

120 West 300 South Loa UT 84747
(Street) (City) (State) (Zip)

(435) 836-2795 (435) 836-2497
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address calbrecht@garkaneenergy.com

On Site Manager: Carl R. Albrecht
(Name)

120 West 300 South Loa UT 84747
(Street) (City) (State) (Zip)

(435) 836-2795 (435) 836-2497
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address calbrecht@garkaneenergy.com

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Robert J. Jones
 (Name)
120 North 44th Street Suite 100 Phoenix AZ 85034-1822
 (Street) (City) (State) (Zip)
(602) 286-6925 (602) 286-6932
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Michael Grant
 (Name)
2575 East Camelback Phoenix AZ 85016-9225
 (Street) (City) (State) (Zip)
(602) 530-8291 (602) 257-9459
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input checked="" type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|-----------------------------------|--|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input checked="" type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input checked="" type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

SERVICES AUTHORIZED TO PROVIDE

Check the following box/es for the services that you are authorized to provide:

☒ **Electric**

- ☐ Investor Owned Electric
- ☒ Rural Electric Cooperative
- ☐ Utility Distribution Company
- ☐ Electric Service Provider
 - ☐ Transmission Service Provider
 - ☐ Meter Service Provider
 - ☐ Meter Reading Service Provider
 - ☐ Billing and Collection
 - ☐ Ancillary Services
 - ☐ Generation Provider
 - ☐ Aggregator/Broker

☐ **Telecommunications**

- ☐ Incumbent Local Exchange Carrier
- ☐ Interexchange Carrier
- ☐ Competitive Local Exchange Carrier
- ☐ Reseller
- ☐ Alternative Operator Service Provider

☐ **Gas**

- ☐ Natural Gas
- ☐ Propane

☐ **Other (Specify)** _____

STATISTICAL INFORMATION

TELECOMMUNICATION UTILITIES ONLY

Total residence local exchange access lines	_____
Total business local exchange access lines	_____
Total revenue from Arizona operations	\$ _____
Total income from Arizona operations	\$ _____
Value of assets used to serve Arizona customers	\$ _____
Accumulated depreciation associated with those assets	\$ _____

STATISTICAL INFORMATION (CONT'D)

ELECTRIC UTILITY PROVIDERS ONLY

Total number of customers	639
Residential	502
Commercial	115
Industrial	0
Public street and highway lighting	0
Irrigation	15
Resale Public Authorities	7
Total kilowatt-hours sold	11,665,310 kWh
Residential	5,926,869
Commercial	5,000,069
Industrial	0
Public street and highway lighting	14,880
Irrigation	464,203
Resale Public Authorities	259,289
Maximum Peak Load	Approximately 3.0 MW

GAS UTILITIES ONLY

Total number of customers	
Residential	
Commercial	
Industrial	
Irrigation	
Resale	
Total therms sold	therms
Residential	
Commercial	
Industrial	
Irrigation	
Resale	

RECEIVED

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

MAR 13 2006

Z Corporation Commissio
Director of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	WAYNE	UTAH
NAME (OWNER OR OFFICIAL) TITLE	Carl R. Albrecht	
COMPANY NAME	Garkane Energy Cooperative, Inc.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 990,201

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 56,358
IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)


SIGNATURE OF OWNER OR OFFICIAL
(435) 836-2795
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

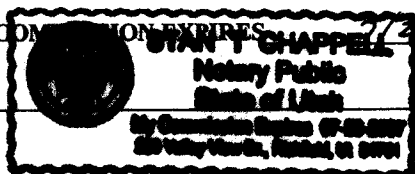
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 7th DAY OF
(SEAL)

COUNTY NAME	Wayne
MONTH	March
	.2006


SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES



VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

RECEIVED

MAR 13 2006

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) WAYNE UTAH	
NAME (OWNER OR OFFICIAL) Carl R. Albrecht	TITLE General Manager/CEO
COMPANY NAME Garkane Energy Cooperative, Inc.	

Arizona Corporation Commission
Director of Utilities

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SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ 491,537

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 27,823
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

X Carl R. Albrecht, CEO
SIGNATURE OF OWNER OR OFFICIAL

(435) 836-2795
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

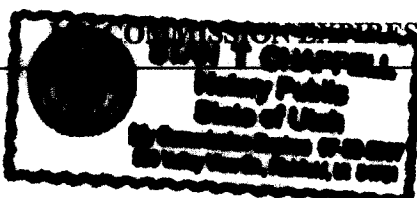
7th

DAY OF

(SEAL)

NOTARY PUBLIC NAME Stan I. Chappell	
COUNTY NAME Wayne Utah	
MONTH March	, 2006

X Stan I. Chappell
SIGNATURE OF NOTARY PUBLIC



FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2005) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

Garkane Energy Cooperative, Inc.
 120 W 300 S PO Box 465
 Loa, UT 84747
 1-435-836-2975

FINANCIAL STATEMENTS ON ARIZONA-SPECIFIC

BALANCE SHEET

ELECTRIC PLANT

	Total System	Utah	Arizona
Plant in Service	\$ 55,457,242	\$ 51,795,168	\$ 3,662,074
Construction Work In Progress	\$ 2,348,741	\$ 2,264,259	\$ 84,482
Acc Prov For Depreciation	\$ (22,993,789)	\$ (21,163,861)	\$ (1,829,928)
Net Electric Plant	\$ 34,812,194	\$ 32,895,566	\$ 1,916,628

INCOME STATEMENT

	Total System	Utah	Arizona
UTILITY OPERATING INCOME			
Operating Revenue	\$ 12,574,720	\$ 11,615,271	\$ 959,449
Operating Expenses:			
Operation & Maintenance expense	\$ 8,762,910	\$ 8,114,454	\$ 648,456
Depreciation expense	\$ 1,565,435	\$ 1,470,001	\$ 95,434
Taxes	\$ 314,272	\$ 286,318	\$ 27,954
Total Operating Expenses	\$ 10,642,617	\$ 9,870,773	\$ 771,844
Net Operating Revenue	\$ 1,932,103	\$ 1,744,498	\$ 187,605
Miscellaneous Deductions	\$ 29,042		
Net Income before Interest	\$ 1,903,061		
Interest Expense	\$ 1,024,785		
Operating Margin	\$ 878,276		
Other Income			
Net Merchandising	\$ 26,657		
Interest Income	\$ 82,154		
Miscellaneous nonoperating income	\$ 75,396		
Other capital credits & dividends	\$ 97,923		
Net margins & patronage capital	\$ 1,160,406		